

PROSPECTUS

Madame Queen Logging Unit
COEUR D'ALENE INDIAN RESERVATION

THIS TIMBER IS NOT SUBJECT TO EXPORT RESTRICTIONS OR SUBSTITUTION LAWS

INTRODUCTION

Coeur d'Alene Tribal Forestry offers for sale by sealed bid, in accordance with 25 CFR 163 an estimated 432 MBF of merchantable timber and 26 tons of Mixed Fir Species tonwood on the Madame Queen Logging Unit. Bids will be opened at the Coeur d'Alene Tribal Forestry Office, Plummer, Idaho 83851 on July 14, 2015. No bids will be accepted after 10:00 AM local time, except as allowable by TERO Ordinance and CDA Resolutions 346(2003) and 279 (2004). Only bids from entities that have a current Coeur d'Alene Tribal Business license will be accepted.

This prospectus is furnished to acquaint you with some of the requirements and features of this logging unit. If its wording or meaning disagrees with the contract, the contract is final and binding. We urge you to discuss complete contractual obligations with the forestry staff at the Coeur d'Alene Tribal Forestry Office in Plummer, Idaho. Arrangements may be made there for examination of the sale unit. No guarantee is made of the forest products volume or quality mentioned herein. You are urged to make your own independent estimates to determine your bidding decisions. Each bidder must be prepared to assume full responsibility for the success of the operation under contract terms at the price bid.

BIDDING PROCEDURES

Acceptable bids must be submitted in duplicate, on forms provided, in a sealed envelope marked outside "Proposal for Timber, Madame Queen Logging Unit" and mailed or hand delivered to the Coeur d'Alene Tribal Forestry Building, P.O. Box 408, Plummer, Idaho 83851 or hand-delivered to 402 Anne Antelope Avenue, Plummer, ID 83851. Each bid must state the price per net thousand board feet (MBF), Scribner Decimal C log scale that will be paid for sawlogs cut and scaled. Minimum bid prices for the Madame Queen Logging Unit are:

Ponderosa Pine Sawlogs (6 to 7 inch)	\$150 per MBF
Ponderosa Pine Sawlogs (8 inch +)	\$200 per MBF
Douglas-fir and Other Species Sawlogs	\$300 per MBF
Mixed Fir Species – tonwood (log diameters 4 to 5.5 inches) (unbiddable)	\$25 per TON

The Madame Queen Logging Unit contains minor, un-estimated amounts of the following products that are not biddable items. These include:

All Species—Pulp and Other Products	\$2.00 per TON
Blue-stained Pine Sawlogs	\$10 per MBF

Bidders must also submit a completely signed copy of their Tribal Business license to expedite the award process. Indian preference will apply as per TERO Ordinance. Bidders claiming Indian Preference Logging certification must submit verification of Indian Preference Logging Contractor status to be considered for Indian Preference.

PERIOD OF CONTRACT

The contract provides that all the timber designated for cutting will be hauled and scaled on or before October 15, 2015. All other contract obligations will be completed by October 31, 2015.

LOCATION

The contract area is located near the Coeur d'Alene Tribal Casino and Resort and Worley, Idaho. It is accessed by taking US Highway 95 to Worley, Idaho. Allotments 477, 502, and T513-B are just north of the Casino, but are north of the active Union Pacific Railroad and must be accessed from Bitter Road to the north. From Worley, take the paved Cave Bay Road 3 miles north to Bitter Road. The field crossing location is 2.4 miles west on Bitter Road. The field crossing to the timbered areas is approximately .6 miles at the closest point. Allotment 567 is 2.5 miles northeast of Worley off the Cottonwood Road. A field crossing approximately 0.4 miles in length accesses the seed tree unit. The selective harvest unit can be reached from Mowry Road. The sale area is approximately 25 miles south of Coeur d'Alene, Idaho. The entire area is located in Kootenai County, Idaho. Approximately 71 acres are included in the logging unit.

Mileage to Area Wood Product Processing Facilities

Stimson Timber Company, Plummer, Idaho	11
Idaho Forest Group, Chilco, Idaho	27
Stimson Timber Company, St. Maries, Idaho	31
Potlatch Lumber Company, St. Maries, Idaho	31
Swan Lake Fiber Company, St. Maries, Idaho	31
Bennett Lumber Products in Princeton, Idaho	50
Idaho Forest Group, LaClede, Idaho	82
Boise Cascade, Arden, Washington	97
Boise Cascade, Kettle Falls, Washington	112

SPECIAL CONSIDERATIONS

Use of field crossings will require a rapid response to conditions where timber must be cut, skidded, and hauled in a narrow window between crop harvest and sowing of the future crop. Crossings will be required for timber in Allotments 502, 477, T513-B, and 567. Any debris falling into fields from logging operations must be removed and disposed of in a proper location.

Tribal Forestry shall determine tactics required to limit infestation by pine engraver beetles (*Ips pini*). These tactics may include burning or chipping slash at landings, seasonal restrictions, or other special treatment.

TIMBER CRUISE SUMMARY

Cruise volume in areas marked to cut was estimated by measuring every cut tree diameter at breast height (DBH) to the nearest one-inch diameter class and using Forest Projection and Planning System (FPS) software to predict heights and to calculate gross volume per tree. Defect and breakage were estimated to be 15 percent for ponderosa pine and 20 percent for Douglas-fir and other species. Resulting volumes were rounded down to the nearest 100 board feet.

Table 1: Averages by Species and Total Net MBF

	Ponderosa Pine	Douglas-fir and Other Species	Average or Total
Average DBH	17	13	17
Net BF per Log	63	38	61
% Defect	15	20	15
Net MBF	355	77	432

Trees to Cut: 1,120 trees on A567, 36 trees on A477, 40 trees on T513-B, and roughly 1,093 trees A502 for a total of 2,289.

Table 2. Thousand Board foot (MBF) volume by log diameter and species summary

Species	6 to 7	8 to 9	10 to 12	13 to 15	16 to 18	19 plus	Total
PP	15	26	56	59	67	132	355
Percent	4	7	16	17	19	37	100
DF&OS	9	8	22	17	11	10	77
Percent	12	10	29	22	14	13	100
Total	25	33	78	76	78	142	432

Table 3. Estimated volume and minimum acceptable bid

Product	Estimated Volume	Minimum Bid
PP Sawlogs (6-7")	15 MBF	\$150 per MBF
PP Sawlogs (8"+)	340 MBF	\$200 per MBF
DF&OS Sawlogs	77 MBF	\$300 per MBF
Mixed Fir Species Tonwood	28 TONS	\$25 per TON

TIMBER MARKING

Within the logging unit, trees are designated for cutting by paint marks at eye level and below stump height. All trees designated for cutting are to be cut and tested for merchantability. Trees are marked for **CUT** with the following colors of paint:

Blue: Allotment 502
 Yellow: Allotments T513-B and 567
 Orange: Allotments 477

Additional timber may be designated for cutting during the life of the contract. The purchaser will be required to cut and pay for any additional timber designated for cutting.

ROAD CONSTRUCTION AND MAINTENANCE

Existing roads can be used to access most of the contract area. Road work needed is minimal and consists mostly of blading occasional stretches of deeply rutted sections of native surfaced roads. Less than 10% of the existing road system is estimated to be in this condition. Some portions of roads are located in low lying areas that become seasonally wet and un-drivable. Operations must be scheduled during dry or frozen ground conditions.

Two field crossings (after harvest and before a new crop is sowed) are needed to access timber in Allotments 477, 502, 513, and 567.

Roads must be maintained while in use as directed by the Officer in Charge. Road work required of the purchaser is expected to consist primarily of maintaining satisfactory drainage on roads. Construction of cross ditches and removal of any stream crossing material that would impede runoff will be required prior to seasonal shut down of operations or periods of heavy runoff. If warranted, dust abatement measures will be required around residences or in the interests of safety. At the completion of logging, necessary maintenance and repairs to unsurfaced roads followed by grass seeding must be completed by the purchaser.

EROSION CONTROL

After final road maintenance, approximately 0.5 miles of secondary haul roads, spur roads, landings, and exposed skid trails except those in farm fields shall be seeded with a native grass and fertilizer mix.

LOGGING RESTRICTIONS

Field crossings will be limited to time periods after harvest, and prior to sowing of a new crop unless other arrangements are made.

Operations may be suspended for such periods as the Officer in Charge may deem necessary to avoid excessive damage when ground conditions are unfavorable or during periods of extreme fire danger.

The Purchaser shall supply flaggers at any time their operations fall within 150 feet of the Union Pacific rail lines in Allotment 502 and Tribal Allotment 513-B on Monday, Wednesday, or Friday or when so directed by the Officer in Charge. Notification of logging activities will be made to Union Pacific Railroad whenever the Purchaser's operations are within 150 feet of the closest edge of the railroad right of way as directed by the Officer in Charge.

No operation of skidding equipment will be allowed within delineated Riparian Management zones. Operation of skidding equipment within 25 feet of any intermittent stream must have prior approval of the Officer in Charge. All stream crossings must be designated and approved in advance in writing by the Officer in Charge. Rock, culverts, log corduroy, PVC pipe bundles, or a similar acceptable substitute may be required. Acceptable substitute requirements are:

1. Must be able to allow unimpeded runoff passage during storm events
2. Must maintain stream bank stability
3. Must maintain integrity of stream bottom

Operation of skidding equipment will only be permitted on dry or frozen soils. Liquidated damages may be assessed for unauthorized stream crossings, soil damage from unauthorized skid trail and/or landing construction, and soil loss resulting from improper water bar installation. The amounts will be set at \$500.00 for each unauthorized stream crossing and at ten cents per square foot of soil damaged or lost by improper skid trail, landing, or water bar installation.

To avoid disruptions to the Circling Raven Golf Course, logging operations on Tribal Allotment 513-B will not be allowed on Saturdays and Sundays unless an exception is granted by the Officer in Charge.

SCALING PROVISIONS

Scaling shall be by third party scaling service authorized to scale Indian logs (or by USDA Forest Service scalers at approved sites), except that waste material shall be scaled by Tribal Forestry. Third party scaling by the consuming mill may be authorized by the Approving Officer through approval of a Consumer Scale Authorization and Third Party Scaling Agreement with the consuming mill(s). If the Purchaser is the consuming mill, an Addendum to the Consumer Scale Authorization must be approved, requiring that an independent producer (logging sub-contractor) must cut and skid the timber to be scaled and that the basis for payment between the two parties will be based on scale.

The planned scaling frequency is 100 percent. . Tonwood and pulp shall also be sample scaled on a 1 in 3 frequency, and any pieces meeting sawlog specifications shall be expanded to count loads and billed at the bid rates for sawlogs.

Logs that become blue-stained due to negligence on the part of the purchaser shall be considered green sawlogs for payment purposes. Blue-stained sawlogs are defined as logs showing blue stain on both ends of the scaling cylinder and are a minimum of 8' 1" in length, and 5.51 inches in diameter.

SLASH AND CULL TREE DISPOSAL

Whole tree skidding of trees is required except in the Seed Tree Unit, and as directed by the Officer in Charge to protect established regeneration. Along roads, landings, and where machine piling is directed, slash and woody debris shall be grapple piled. Slash remaining from previous harvest operations or from insect, wind, or other damage shall be re-piled with current harvest slash. Landing slash shall be compactly piled, free of dirt, and no closer than 30 feet to live trees. Cull logs skidded into landings must be compactly decked, separated from slash and not burned.

Harvest trees in the Seed Tree Unit will be limbed and topped prior to skidding. The purchaser shall move any slash from his operation at least 6 feet from residual trees through lop and scatter or other pull back method. All slash compliance must be complete prior to moving to the next allotment. The purchaser will not be responsible for burning of piles.

Fireline construction around the Seed Tree Unit is required.

The purchaser shall obtain and furnish a copy of the Certificate of Slash Disposal Compliance from the Idaho Department of Lands, Mica Protection District, to the Coeur d'Alene Tribal Forestry Department before beginning operations.

DEPOSIT WITH BID

A deposit with bid, in the amount of TWELVE THOUSAND FIVE HUNDRED DOLLARS AND NO CENTS (\$12,500.00) in the form of cashier's check, bank draft, Irrevocable Letter of Credit, or postal money order, payable to the Bureau of Indian Affairs, must accompany each sealed bid. The deposit of the apparent high bidder and of others who submit written requests to have their bids considered for acceptance will be retained pending acceptance or rejection of bids. Deposits of the unsuccessful bidders will be returned.

NOXIOUS WEEDS

Skidding equipment shall be washed seasonally prior to move-in. Washing shall be sufficient to remove weed seeds from the equipment. The Officer in Charge additionally may require washing of skidding equipment prior to movement to a different location.

UTILIZATION

Timber shall be cut to fully utilize the merchantable material and to yield the maximum stumpage value. Timber cut into lengths or products of lesser value shall be scaled as if cut to yield the maximum value of products covered by the contract. For example, a 2 segment PP log will be split scaled if one segment is 6-7" and the other segment is 8 inches or more.

The purchaser shall ensure that all merchantable material that is designated to be cut is removed from the sale. All waste in improper long butts, tops, broken and partially sound logs, missed logs or trees, and trees designated for cutting that are not removed shall be scaled by Tribal Forestry and paid for by the purchaser.

PAYMENT FOR TIMBER

The purchaser shall pay for timber in advance of cutting through advance payments and advance deposits in a form acceptable to the Approving Officer. Payments and deposits are due on the date specified in the written requests from the BIA/Tribe.

ADVANCE PAYMENT

An advanced payment equal to 25% of the contract stumpage value is due within 30 days from the date of each subsidiary contract approval and before cutting begins. Advance payments shall be credited against the timber of each ownership in the sale as the timber is cut and scaled at the contract stumpage rates. Advance payments are not refundable.

ADVANCE DEPOSIT

The contract requires that timber will be paid for in advance of being cut. This shall be accomplished by maintaining an account of advance deposits, which the Purchaser will pay into at regular intervals during the course of operations to maintain a minimum balance. The minimum advance deposit and minimum balance shall be calculated based on the bid rate and expected monthly production of the purchaser.

After the bid has been accepted by the Approving Officer, a required Log Plan meeting will be held with the Purchaser to determine the specifics of the planned harvest operation. The Advance Deposit will then be calculated by multiplying the average volume of the monthly production during the Purchaser's usual or average planned season of operations by the bid price for all sawlogs and products of the estimated volume.

Refunds of surplus account balance shall be made to the Purchaser upon closure of the sale.

PERFORMANCE BOND

A performance bond in the amount of \$35,000 shall be furnished by the Purchaser within 30 days of the acceptance of the bid, and shall be retained for the duration of the contract to ensure satisfactory performance by the Purchaser. The bond may be in the form of a cashier's check or other form acceptable to the Approving Officer.

TRIBAL EMPLOYMENT RIGHTS ORDINANCE (TERO)

Coeur d'Alene Tribal Forestry operates under an Indian preference labor ordinance. The Tribal Employment Rights Ordinance (TERO) requires that Indian subcontractors be given preference for hiring. Before bidding, prospective bidders should contact the following office to obtain full information regarding qualifications, availability and other requirements for Indian subcontractors to claim TERO preference. All bidders are required to obtain a Coeur d'Alene Tribal Business license prior to submitting a bid. Business licenses can be obtained from the TERO office indicated below. The purchaser and any subcontractors will be required to submit a TERO compliance plan to the TERO director for approval and a copy to Tribal Forestry prior to commencement of operations each season.

Coeur d'Alene Tribal Employment Rights Office (TERO)
P. O. Box 408, 850 A Street
Plummer, ID 83851
Telephone: (208) 686-6107

FINANCIAL STATEMENT

Before officially accepting the bid, the Coeur d'Alene Tribe may require a financial statement from a corporation, partnership, or individual who has not previously purchased timber on the Coeur d'Alene Reservation.

CONCLUSION

Additional Information may be obtained from Kurt Mettler at the Coeur d'Alene Tribe Forestry Department, P. O. Box 408, Plummer, ID 83851 at (208) 686-1315. Prospectus, sample contract, and bid forms may be obtained by contacting the Forestry office or online from the Tribal website under natural resources/forestry at www.cdatribe-nsn.gov.